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56 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**  
89 Leo India Films Limited,  
10 Plaintiff,  
11 v.  
12 GoDaddy.com LLC,  
13 Defendant.  
14

No. CV-19-04803-PHX-DLR

**ORDER****[UNDER SEAL]**15  
16 Before the Court is Defendant's motion for summary judgment and accompanying  
17 memorandum (Docs. 146, 147). The motion is fully briefed.<sup>1</sup> (Docs. 154, 166.) For the  
18 following reasons, the Court grants the motion.19 **I. Background**20 Defendant GoDaddy.com LLC ("GoDaddy") is a domain name registrar. (Doc. 19  
21 at 2.) Plaintiff Leo India Films Limited d/b/a Einthusan.TV ("Leo") contracted with  
22 GoDaddy to register the domain name "Einthusan.tv" ("Domain"). (*Id.* at 4.) The website  
23 associated with the Domain distributes "licensed video content by artists from India and  
24 other South Asian countries." (Doc. 76 ¶ 6.)25 GoDaddy requires all domain registrants to agree to its Universal Terms of Service  
26 ("UTOS") and Domain Name Registration Agreement ("DNRA"). (Doc. 19 at 2–3.) Leo  
2728 

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<sup>1</sup> Oral argument is denied because the motions are adequately briefed, and oral argument will not help the Court resolve the issues presented. See Fed. R. Civ. P. 78(b); LRCiv. 7.2(f).

1 agreed to both the UTOS and DNRA (collectively, “Agreements”) when it originally  
 2 registered the Domain in 2013 and when it renewed the Domain registration in 2013, 2015,  
 3 and 2016. (*Id.* at 4; Doc. 19-1 at 61–65.) The UTOS provides that GoDaddy may

4 deny, cancel, terminate, suspend, lock or modify access to (or  
 5 control of) any Account or Services (including the right to  
 6 cancel or transfer any domain name registration) for any reason  
 7 (as determined by [GoDaddy] in its sole and absolute  
 8 discretion), including but not limited to the following . . . (v) to  
 9 comply with requests of law enforcement, including subpoena  
 10 requests, . . . (viii) to avoid any civil or criminal liability on the  
 11 part of [GoDaddy.]

12 (Doc. 19-1 at 21.) The DNRA has a materially identical provision. (Doc. 20-3 at 16.)

13 On July 9, 2019, GoDaddy suspended the Domain in response to a letter (“Notice”)  
 14 from the Office of Inspector General of Policy, Maharashtra Cyber in Mumbai, India  
 15 (“MCP”). (Docs. 13-2 at 74; 19 at 5; 19-1 at 67.) The Notice stated that the website  
 16 associated with the Domain was “infringing copyrights and engaged in piracy,” and it  
 17 directed GoDaddy to “immediately desist from providing services” associated with the  
 18 Domain, under threat of criminal liability. (Doc. 19-1 at 70–91.) GoDaddy notified Leo of  
 19 the investigation and suspension of its Domain and directed Leo to contact the MCP for  
 20 further information. (*Id.* at 67; Doc. 147-3 at 7.)

21 Leo made multiple, unsuccessful attempts to contact the MCP. (Doc. 13-2 at 80–  
 22 85.) It informed GoDaddy representatives that it was unable to reach the MCP and  
 23 repeatedly requested GoDaddy allow it to transfer the Domain. (*Id.*) GoDaddy did not  
 24 respond to these requests. (*See id.* at 80.) During the suspension, Leo entered into  
 25 agreements with three other domain registrars for other “Einthusan” domain names—  
 26 Cloudflare, Inc. (“Cloudflare”), Gandi.net (“Gandi”), and easyDNS Technologies Inc.  
 27 (“easyDNS”)—each of which had similar provisions to the challenged provisions of the  
 28 Agreements. (Docs. 147-7 at 11–12 (Gandi); 147-9 at 8–9; 147-10 at 4–5 (Cloudflare);  
 147-11 at 8; 147-12 at 3 (easyDNS); *see also* 147-15 at 2–3 (discussing Leo’s domain  
 registrations).) Ninety days after the suspension, GoDaddy unlocked the domain, pursuant  
 to its standard procedure for law enforcement requests. (Doc. 147-3 at 13.)

1        The operative first amended complaint (“FAC”) asserts four counts: (1) breach of  
 2 contract; (2) breach of the implied covenant of good faith and fair dealing, sounding in tort  
 3 or alternatively, in contract; (3) tortious interference with contract and business relations;  
 4 and (4) procedural and substantive unconscionability. (Doc. 76 at 7–12.) The Court  
 5 partially granted GoDaddy’s motion to dismiss the FAC, dismissing the tort-based implied  
 6 covenant claim and the procedural-unconscionability claim. (Doc. 106 at 4–7.) GoDaddy  
 7 now moves for summary judgment on all remaining claims or alternatively, partial  
 8 summary judgment on the issue of damages. (Doc. 146.)

9        **II. Legal Standard**

10        Summary judgment is appropriate when there is no genuine dispute as to any  
 11 material fact and, viewing those facts in a light most favorable to the non-moving party,  
 12 the movant is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). A fact is  
 13 material if it might affect the outcome of the case, and a dispute is genuine if a reasonable  
 14 jury could find for the non-moving party based on the competing evidence. *Anderson v.*  
 15 *Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). Summary judgment may also be entered  
 16 “against a party who fails to make a showing sufficient to establish the existence of an  
 17 element essential to that party’s case, and on which that party will bear the burden of proof  
 18 at trial.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986).

19        The party seeking summary judgment “bears the initial responsibility of informing  
 20 the district court of the basis for its motion, and identifying those portions of [the record]  
 21 which it believes demonstrate the absence of a genuine issue of material fact.” *Id.* at 323  
 22 (quotation omitted). The burden then shifts to the non-movant to establish the existence of  
 23 a genuine and material factual dispute. *Id.* at 324. The non-movant “must do more than  
 24 simply show that there is some metaphysical doubt as to the material facts”: it must “come  
 25 forward with specific facts showing that there is a genuine issue for trial.” *Matsushita Elec.*  
 26 *Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986) (internal quotation and  
 27 citation omitted). “Even where there are some factual issues raised, summary judgment is  
 28 appropriate if the totality of the undisputed facts is such that reasonable minds could not

1 differ on the resolution of the factual question.” *Chesney v. United States*, 632 F. Supp.  
 2 867, 869 (D. Ariz. 1985).

3 **III. Analysis**

4 GoDaddy makes several arguments in support of its summary judgment motion.  
 5 First, it asserts that it is entitled to summary judgment on the contract claims because they  
 6 are precluded by the Agreements themselves, and the Agreements are enforceable because  
 7 they are not substantively unconscionable. Then it argues that section 230 of the  
 8 Communications Decency Act bars the tortious-interference and implied-covenant claims.  
 9 It also argues that the economic loss rule bars Leo’s tortious-interference claim. Even if  
 10 neither defense bars the tortious-interference claim, GoDaddy claims Leo nonetheless fails  
 11 to raise a triable issue of fact on several essential elements of its tortious-interference claim.  
 12 GoDaddy requests that, if the Court finds a triable issue of fact on any of the claims, the  
 13 Court enforce the UTOS, which includes a provision limiting GoDaddy’s liability.

14 The Court first analyzes whether the Agreements are unconscionable then proceeds  
 15 to analyze the breach-of-contract and implied-covenant claims separately. Lastly, the Court  
 16 considers whether Leo raises a triable issue of fact on its tortious-interference claim.  
 17 Because Leo’s claims fail as a matter of law, the Court does not reach GoDaddy’s  
 18 affirmative defenses or other arguments.

19 **a. The Agreements are not substantively unconscionable.**

20 Leo claims that the Agreements’ provisions giving GoDaddy the authority to  
 21 suspend or lock a domain and disallow a domain transfer in its sole discretion for any  
 22 reason are unconscionable, and therefore, unenforceable. (Doc. 154 at 14.) GoDaddy  
 23 argues that these provisions are standard in the industry and are not exceedingly harsh or  
 24 one-sided. (Doc. 147 at 17.)

25 “Whether a contract is unconscionable presents a question of law[.]” *Aerial Funding*  
 26 *LLC v. Van Sickle*, No. 1 CA-CV 19-0543, 2020 WL 6140700, at \*3 (Ariz. Ct. App. Oct.  
 27 20, 2020). “Arizona law requires that the parties be allowed to present evidence of  
 28 unconscionability,” as they have done here. *Sw. Pet Prods., Inc. v. Koch Indus., Inc.*, 107

1 F. Supp. 2d 1108, 1112 (D. Ariz. 2000). “Substantive unconscionability concerns the actual  
 2 terms of the contract and examines the relative fairness of the obligations assumed.” *Id.* at  
 3 1113. “Substantive unconscionability must be determined at the time of contracting,” so  
 4 the Court looks to “the commercial setting at the time the parties entered into the contract.”  
 5 *Id.* “[S]ubstantive unconscionability focuses on the *terms* of the contract and seeks to  
 6 determine whether they are ‘so one-sided as to oppress or unfairly surprise an innocent  
 7 party.’” *Id.* (quoting *Maxwell v. Fidelity Fin. Servs., Inc.*, 907 P.2d 51, 58 (Ariz. 1995)).

8 A showing that a contract’s terms are “standard in the industry” may support a  
 9 finding that a contract is not substantively unconscionable. *See id.* at 1114. In *Koch*  
 10 *Industries*, the contract was not substantively unconscionable where there was evidence  
 11 that the plaintiff entered into a prior agreement with the defendant with the same terms and  
 12 “that [the plaintiff] signed, and continues to sign, contracts with other vendors with similar  
 13 or identical [provisions].” *Id.* The plaintiff’s ignorance of the terms was irrelevant to the  
 14 analysis. *Id.* The court emphasized that “[s]tandardized contracts are a reality of today’s  
 15 business arena and a necessary component of the fast-paced world of commerce.” *Id.*

16 Here, the evidence shows that the challenged terms are standard in the industry. Like  
 17 the plaintiff in *Koch Industries*, Leo repeatedly agreed to the very same provisions of the  
 18 Agreements that it now argues are unconscionable. (Doc. 19-1 at 61–65.) Leo also signed  
 19 several other contracts with materially identical provisions with other domain name  
 20 registrars. (Docs. 147-7 at 11–12; 147-9 at 8–9; 147-10 at 4–5; 147-11 at 8; 147-12 at 3.)  
 21 And Leo itself includes similar provisions in its terms of service. (Doc. 147-6 at 1, 3–5.)  
 22 Leo’s argument that it would not have entered the Agreements if it knew of the provisions  
 23 is irrelevant, as “failure to read does not support a finding of unconscionability.” *Koch*  
 24 *Indus.*, 107 F. Supp. 2d at 1114.

25 Even assuming the terms aren’t industry standard, the Agreements are not so  
 26 “monstrously harsh” or “shocking to the conscious” as to support a finding of  
 27 unconscionability. *Van Sickle*, 2020 WL 6140700, at \*3. The terms of the contract allow  
 28 GoDaddy to protect its own interests, as well as the interests of its registrants, by locking

1 or suspending a domain and/or disallowing its transfer to avoid criminal liability. This term  
 2 isn't one-sided or unfairly surprising; reasonable people want to avoid criminal liability.

3 Courts should not assume an overly paternalistic attitude  
 4 toward the parties to a contract by relieving one or another of  
 5 them of the consequences of what is at worst a bad bargain . . .  
 and in declaring the [Agreements] at issue here  
 unconscionable, we would be doing exactly that.

6 *Nelson v. Rice*, 12 P.3d 238, 243 (Ariz. Ct. Ap. 2000) (quoting *Pac. Am. Leasing Corp. v.*  
 7 *S.P.E. Bldg. Sys., Inc.*, 730 P.2d 273, 280 (Ariz. Ct. App. 1986)).<sup>2</sup>

8 **b. Leo's breach-of-contract claim fails because the Agreements explicitly  
 9 authorize GoDaddy to act as it did.**

10 GoDaddy asserts that it is entitled to summary judgment on both contract claims  
 11 because it exercised its express contractual rights in suspending and locking the Domain.  
 12 (Doc. 147 at 15.) A "contract claim fails as a matter of law" where "the clear and  
 13 unambiguous terms of the" contract "impose no obligation" on the defendant to act in the  
 14 manner that the plaintiff demands. *Kocharov v. JPMorgan Chase Bank, N.A.*, No. CV-21-  
 15 02220-PHX-DGC, 2023 WL 7018030, at \*7 (D. Ariz. Oct. 25, 2023).

16 Leo's breach-of-contract claim fails because the action it identified as the breach is  
 17 expressly authorized by the Agreements. GoDaddy suspended and locked the Domain  
 18 pursuant to its rights under the Agreements. It does not point to any other term or provision  
 19 of either the UTOS or the DNRA that GoDaddy allegedly breached. Leo thus "fails to make  
 20 a showing sufficient to establish the existence of an element essential to [its] case, and on  
 21 which [it] will bear the burden of proof at trial." *Celotex Corp.*, 477 U.S. at 322. GoDaddy  
 22 is entitled to summary judgment on the breach-of-contract claim.

23 **c. Leo's implied-covenant claim fails because no reasonable juror could  
 24 find that GoDaddy abused its discretion and deprived Leo of its  
 25 reasonably expected benefit of the bargain.**

26 GoDaddy argues it is entitled to summary judgment on the implied-covenant claim

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28 <sup>2</sup> The Court also notes that the provisions of the Agreements that Leo claims are  
 substantively unconscionable are, paradoxically, the same provisions that it claims  
 GoDaddy breached.

1 because it complied with the express terms of the Agreements and exercised its discretion  
 2 reasonably. (Docs. 147 at 17; 166 at 10.) Leo responds that GoDaddy breached the implied  
 3 covenant by exercising its discretion to suspend and lock the Domain where there was no  
 4 legitimate threat of criminal liability to Leo or GoDaddy. (See Doc. 154 at 11–12.) The  
 5 covenant of good faith and fair dealing “prohibits a party from doing anything to prevent  
 6 other parties to the contract from receiving the benefits and entitlements of the agreement.”  
 7 *Wells Fargo Bank v. Ariz. Laborers, Teamsters & Cement Masons Loc. No. 395 Pension*  
 8 *Tr. Fund*, 38 P.3d 12, 28 (Ariz. 2002). “Under Arizona law, ‘[t]he general rule is that an  
 9 implied covenant of good faith and fair dealing cannot directly contradict an express  
 10 contract term.’” *Calhoun v. Allstate Ins. Co.*, No. 21-15837, 2022 WL 1285043, at \*1 (9th  
 11 Cir. Apr. 29, 2022) (alteration in original) (quoting *Bike Fashion Corp. v. Kramer*, 46 P.3d  
 12 431, 434 (Ariz. Ct. App. 2022)). But “a party can breach the implied covenant . . . by  
 13 exercising express discretion in a way inconsistent with a party’s reasonable  
 14 expectations[.]” *Bike Fashion Corp.*, 46 P.3d at 435.

15 The parties don’t dispute that the Agreements authorized GoDaddy to act as it did;  
 16 rather, Leo argues that GoDaddy abused its express discretion by locking and suspending  
 17 the Domain. The issue then is whether Leo’s expectation that GoDaddy would promptly  
 18 unlock its Domain to allow transfer at its request was reasonable. Leo argues that its  
 19 expectation was reasonable because: (1) the Notice was not directly addressed to GoDaddy  
 20 but instead to an Indian subsidiary of GoDaddy; (2) the Notice was not a “demand” but a  
 21 “preliminary inquiry”; (3) Leo contacted GoDaddy and notified it that its content was  
 22 properly licensed and that the website was blocked in India; (4) GoDaddy did not verify  
 23 the contents of the Notice before taking action; and (5) Leo told GoDaddy of its  
 24 unsuccessful attempts to contact the MCP or verify the contents of the Notice itself.<sup>3</sup> (Docs.  
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26 <sup>3</sup> Leo also argues that, as an accredited registrar, GoDaddy acted inconsistently with  
 27 the Internet Corporation for Assigned Names and Numbers (“ICANN”). (Doc. 165 at 13;  
 28 *see* Doc. 165-1 at 2.) It is unclear how GoDaddy’s agreement with ICANN could be the  
 basis for Leo’s reasonable expectation, as Leo is not party to GoDaddy’s agreement with  
 ICANN and only became aware of this policy through this litigation. (See Doc. 154-1 at  
 3.) What’s more, there is evidence that ICANN’s policy did not apply in this instance. (See  
 Doc. 13-2 at 87.)

1 154 at 12–13; 165 at 13.)

2 None of these facts materially bear on Leo’s reasonable expectations. “To determine  
 3 the parties’ reasonable expectations, ‘the relevant inquiry will always focus on the contract  
 4 itself, to determine what the parties did agree to.’” *Two Bros. Distrib. Inc. v. Valero Mktg.*  
 5 & Supply Co.

6 , 270 F. Supp. 3d 1112, 1128 (D. Ariz. 2017), *aff’d* 769 Fed. App’x 408 (9th  
 7 Cir. 2019) (quoting *Rawlings v. Apodaca*, 726 P.2d 565, 570 (Ariz. 1986)). The UTOS  
 8 states that GoDaddy may act “to comply with *requests* of law enforcement,” not just  
 9 *demands*. (Doc. 19-1 at 21 (emphasis added).) In any event, the Notice instructed GoDaddy  
 10 to “desist” from providing services to Leo and advised GoDaddy that it could be criminally  
 11 liable, suggesting that the MCP intended to act imminently if GoDaddy did not comply.  
 12 (*See id.* at 70–71). It makes no difference that the Notice was addressed to a subsidiary of  
 13 GoDaddy, as the UTOS provides that GoDaddy make take action to protect itself, “its  
 14 officers, directors, employees and agents, as well as GoDaddy’s affiliates[.]” (*Id.* at 21.)  
 15 Nor does it matter whether GoDaddy or Leo could verify the contents of the Notice. The  
 16 UTOS states that GoDaddy will act “with or without consideration for whether . . .  
 17 threatened legal action is . . . with or without merit.” (*Id.*) Given the plain language of the  
 18 UTOS, no reasonable jury could find that Leo’s contrary expectation that GoDaddy would  
 19 unlock the Domain because *Leo* determined there was no true threat of criminal liability  
 20 was reasonable. GoDaddy is entitled to summary judgment on the implied-covenant claim.

21 **d. Leo fails to raise a genuine dispute of material fact as to whether**  
 22 **GoDaddy committed an improper act, a necessary element of its**  
**tortious-interference claim.**

23 GoDaddy contends that Leo fails to establish three essential elements of its  
 24 tortious-interference claim, only one of which the Court need analyze here: the improper  
 25 act element. (Doc. 147 at 23.) Leo responds that GoDaddy’s breach of the Agreements and  
 26 breach of the implied covenant are improper acts sufficient to support its  
 27 tortious-interference claim. (Doc. 154 at 25.) “A *prima facie* case of intentional interference  
 28 requires: (1) existence of a valid contractual relationship, (2) knowledge of the relationship

1 on the part of the interferor, (3) intentional interference inducing or causing a breach, (4)  
 2 resultant damage to the party whose relationship has been disrupted, and (5) *that the*  
 3 *defendant acted improperly.”* *Ariz. Laborers, Teamsters, & Cement Masons*, 38 P.3d at 31  
 4 (emphasis added). “Interference with a contract between others is not ‘improper’ when it  
 5 is a ‘bona fide exercise of [a party’s] own rights.’” *Calhoun v. Allstate Ins. Holdings LLC*,  
 6 No. CV-19-04932, 2021 WL 1916838, at \*7 (D. Ariz. Apr. 12, 2021) (alteration in original)  
 7 (quoting *McReynolds v. Short*, 564 P.2d 389, 394 (Ariz. Ct. App. 1977)).

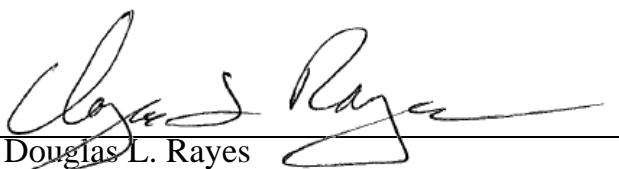
8 The alleged improper acts here are GoDaddy’s breach of the Agreements and breach  
 9 of the implied covenant. (See Doc. 154 at 18.) But, as discussed above, GoDaddy did not  
 10 breach the Agreements, nor did it breach the implied covenant. In fact, it exercised its rights  
 11 under the Agreements to lock and suspend the Domain. Because there is no genuine dispute  
 12 of material fact as to whether GoDaddy breached the Agreements or breached the implied  
 13 covenant, there is no genuine dispute as to whether it committed an improper act. GoDaddy  
 14 is thus entitled to summary judgment on the tortious-interference claim.

15 **IV. Conclusion**

16 GoDaddy is entitled to summary judgment on all claims. The Court need not reach  
 17 GoDaddy’s other arguments for summary judgment, its affirmative defenses, or its request  
 18 for partial summary judgment on the issue of damages.

19 **IT IS ORDERED** that GoDaddy’s motion for summary judgment (Doc. 146) is  
 20 **GRANTED**. The Clerk of the Court is directed to enter judgment accordingly and  
 21 terminate the case.

22 Dated this 12th day of August, 2025.

23  
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 26   
 27 Douglas L. Rayes  
 28 Senior United States District Judge

cc: Counsel for the parties